

13 April 1959

MEMORANDUM FOR: Assistant Director, Research and Reports

THROUGH: Chief, Economic Research, OER

FROM: Chief, Industrial Division, OER

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SUBJECT: Proposed Personal Service Contract with [REDACTED]

REFERENCE: Memorandum of Conversation with [REDACTED] 25X1A5a1
25X1A5a1 [REDACTED], dated 1 April 1959, regarding
proposed personal service contract.

1. It is the judgment of this division that it is not in the interest of the Agency to sponsor at this time, referenced external research proposal on the subject of small scale Chinese machine building plants. Reasons for this recommendation are as follows:

- a. It is doubtful if a useful study of the subject could be completed in the 4 to 6 month period as proposed. In this time it would be possible to accomplish little more than a survey of the scope of the problem and an estimate of the time required for a more intensive study. A short survey would probably be so superficial as to be of little analytical value.

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- b. [REDACTED] lacks the library facilities needed to support a satisfactory research program in this field and is too remote from libraries that are properly equipped.

- c. As a new organization, [REDACTED] lacks qualified personnel.

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- d. It is probable that too much of [REDACTED] time would be devoted to administrative matters in connection with the development of his Institute to permit him to produce a quality research product.

- e. Although the subject of small scale machine building in China does represent an intelligence gap, it is not regarded as of sufficient priority to warrant an external research project at this time.

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